



SAINT PAUL PUBLIC HOUSING AGENCY

SECTION 8 PROJECT-BASED VOUCHER RENTAL ASSISTANCE

PROGRAM GUIDE

The PHA is offering 32 Project-Based Vouchers in this 2014 RFP.



SAINT PAUL PUBLIC HOUSING AGENCY (PHA)

SECTION 8 PROJECT-BASED VOUCHER RENTAL ASSISTANCE

Program Overview

The Saint Paul Public Housing Agency (PHA) offers the availability of federal rent subsidies under its Section 8 Project-Based Voucher (PBV) Rental Assistance Program. Project-Based Vouchers (PBVs) are vouchers from the regular tenant-based Section 8 Housing Choice Voucher (HCV) Program, that the PHA awards to provide rental assistance directly to a specific unit in a project. The PHA administers the PBV program in the City of Saint Paul. Eligible families receive rental assistance by agreeing to live in the existing, newly constructed or rehabilitated units, and they continue to receive assistance as long as they reside in the specific project-based dwelling unit. Under current federal law, a family can move with a tenant-based HCV after living in a PBV unit for more than twelve months, but only if the PHA has HCVs available. The PBV remains with the original unit.

The goals and objectives of the program are to contribute to the upgrading and long-term viability of the city's housing stock; increase the supply of affordable housing and locational choice for very low income households; integrate housing and supportive services such as education, case management, job training, and day care to help families and individuals achieve stability and self-reliance; promote the coordination and leveraging of resources of public, semi-public, or non-profit agencies with compatible missions; and assist the State of Minnesota's "Business Plan to End Long-Term Homelessness" and similar Ramsey County and City of St. Paul plans by providing rental subsidies to supportive housing and other projects designed to house homeless persons.

Almost any type of newly constructed or existing structure may be used for PBV. Up to 25 percent of the units in a building (4+ units) can be assisted under the PBV program, except for buildings for elderly or disabled households or those households receiving supportive services, which can be up to 100% PBV assisted. Owners must be willing to enter into a *Housing Assistance Payments (HAP) Contract* with the PHA for not less than one year, and no more than fifteen years.

Vacancies in PBV units must be filled by eligible families currently on the PHA Section 8 waiting list, except for supportive housing PBV units. For supportive housing PBV units, the PHA will accept applicant referrals from the supportive housing manager or administrator. If the referred applicant meets Section 8 eligibility requirements, the PHA will approve the person or family to live in the PBV unit. For units that are not supportive housing, the PHA will generate referrals from its regular waiting list of Section 8 applicants.

Financing for the construction or rehabilitation of units to be project-based must be obtained independently by the owner.

Direct inquiries to Dominic Mitchell, Section 8 Programs Manager, 651-292-6191 or dominic.mitchell@stpha.org.

SAINT PAUL PUBLIC HOUSING AGENCY (PHA)
SECTION 8 PROJECT-BASED VOUCHER RENTAL ASSISTANCE
Project Criteria

Eligible Projects

Almost any type of newly constructed or existing structures, including single-family housing and multifamily structures may be used for PBV. For the proposed project to qualify as rehabilitation under PBV program, existing structures must require a minimum expenditure of \$3,000 per assisted unit, including the unit's prorated share of work to be accomplished on common areas or systems. Units must meet Housing Quality Standards as specified in *24 CFR Section 982.401*. Both new construction and rehabilitation sites must meet site and neighborhood standards as specified in *24 CFR Section 983.57*.

Vacancies

Vacancies in PBV units must be filled by eligible families currently on the PHA Section 8 waiting list, except for supportive housing PBV units. For supportive housing PBV units, the PHA will accept applicant referrals from the supportive housing manager or administrator. If the referred applicant meets Section 8 eligibility requirements, the PHA will approve the person or family to live in the PBV unit. For units that are not supportive housing, the PHA will generate referrals from its regular waiting list of Section 8 applicants.

Application Process

The PHA is accepting all applications through the Minnesota Housing Finance Agency (Minnesota Housing) Consolidated RFP process, scheduled for release April 21, 2014. You can obtain more information and an application and guidebook by contacting the Minnesota Housing Multi-Family Division at 651-297-3294 or 1-800-657-3701, checking the Minnesota Housing web site at www.mnhousing.gov, or by contacting Dominic Mitchell, PHA Section 8 Programs manager, at 651-292-6191 or dominic.mitchell@stpha.org. Applications are due to MHFA no later than 4:00 p.m. on June 10th, 2014.

Selection Criteria

Proposals for PBVs will be reviewed in accordance with the selection policy requirements as set forth in *24 CFR Section 983.51* and in accordance with the PHA Board-approved proposal review criteria below. Each PBV proposal will be reviewed by PHA staff for compliance with HUD regulations and program criteria under *24 CFR Part 983- Section 8 Project-Based Voucher Program*. The financial feasibility of a proposal will be determined by the Minnesota Housing review process, but cannot include consideration that the project will get PBV assistance. After Minnesota Housing has completed their review, the PHA will rank the projects according to the criteria below. The PHA staff will then make a recommendation to the PHA Board of Commissioners for approval to project base the Section 8 assistance in the development. Contingent upon formal PHA Board and HUD approval, and compliance with all project-based regulations, the PHA will offer the owner or developer the opportunity for an *Agreement to Enter into a Housing Assistance Contract* and subsequently issue authorization to proceed with construction or rehabilitation project.

Projects Approved For or Denied Other Funding by Minnesota Housing

- a. The PHA will take no action on PBV requests submitted through the SuperRFP process until Minnesota Housing has made its funding awards.
- b. Projects that request both PBVs and other grants or loans through the SuperRFP, and that are approved for some or all of the other funds in the same funding cycle or a previous funding cycle, will be considered by the PHA for PBV awards.
- c. When a property developer or owner submits an application under the SuperRFP requesting both PBVs and other forms of assistance, and Minnesota Housing does not approve any of the other assistance requested, then the PHA will not consider the request for PBVs.
- d. If a project owner or developer submits an application through the SuperRFP that only requests PBVs, the PHA will consider that application after Minnesota Housing has made its funding awards.

Proposal Review Criteria (100 Points Total):

1. Ending Homelessness: Projects that meet the goals of the State of Minnesota’s “Business Plan to End Long-Term Homelessness” and similar Ramsey County and City of St. Paul plans, by providing rental subsidies to supportive housing and other projects that are designed to house homeless persons.

20 Points for (1) or (2) or both

2. Supportive Housing: Projects that identify and integrate tenant support and self-sufficiency services (i.e., education, job training, employment, day care); or special accessibility for physically handicapped; or amenities or services for elderly, handicapped, or special need tenants.

20 Points for (1) or (2) or both

NOTE: A project that meets the criteria in both (1) and (2) above will receive 20 Points, not 40 Points, plus additional points based on the criteria stated below.

3. Documented need for the proposed type of residential housing in the City of Saint Paul.

15 Points

4. Prior extensive experience of the applicant in developing and managing similar residential housing, and demonstrated ability and capacity of the applicant to proceed expeditiously with the proposal.

15 Points

5. Location: Extent to which the project contributes to the geographic distribution of affordable housing throughout the city of Saint Paul, promotes de-concentration of poverty, and furthers fair housing objectives.

15 Points

6. Accessibility: Relationship of the proposed development to public facilities, sources of employment and services, including public transportation, health, education, and recreational facilities.

10 Points

7. Support: Extent of community and constituency support for the proposed type of housing.

5 Points

8. Partnerships: Extent to which the proposed project has been developed as a result of a cooperative agreement or arrangement among public, semi-public or non-profit agencies or organizations.

10 Points

9. WBE/MBE/DBE/Section 3: Extent to which women, minority and disabled-owned business enterprises (WBE/MBE/DBE) or Section 3- qualified businesses (as defined in 24 CFR Part 135) are represented in the development, ownership, administrative and/or management process.

5 Points

10. Additional PBVs for Current PBV Projects: Extent to which more PBV vouchers would help stabilize a current PBV project that is jeopardized by changing circumstances; for example, loss of another comparable rent subsidy.

5 Points

Financing

Financing for the construction or rehabilitation must be obtained independently by the owner. There may be funding opportunities available from sources other than the PHA through the Minnesota Housing Consolidated RFP process.

Other Requirements for Rehabilitation and New Construction Projects

All proposals must meet final approval before construction or rehabilitation may begin. In addition, the owner must also sign the *Agreement to Enter into a Housing Assistance Payments Contract*, prior to the start of construction or rehabilitation. After such work is completed, owners must enter into a *Housing Assistance Payments (HAP) Contract* with PHA for a minimum term of one year to a maximum of fifteen years.

For new construction projects, proposals should include detailed site and floor plans. For acquisition and/or rehabilitation projects, proposals should include detailed information related to tenant displacement and relocation assistance.

Eligible and Ineligible Properties

The PHA cannot select units that do not meet basic program requirements. HUD development regulations specify ineligible units for the PBV Program. Applications for ineligible units will be disapproved and not ranked or selected.

1. Subpart H of Section 982 of this chapter of federal regulations does not apply. Newly constructed and existing structures of various types may be appropriate for attaching assistance to the units under this part 983, including single-family housing and multifamily structures.
2. An HA may not attach assistance under this part 983 to units in the following types of housing:
 - a. Housing for which the construction is started before Agreement execution;
 - b. Housing for which the rehabilitation is started before Agreement execution;
 - c. Shared housing; nursing homes; and facilities providing continual psychiatric, medical, nursing services, board and care or intermediate care;
 - d. Units within the grounds of penal, reformatory, medical, mental, and similar public or private institutions;
 - e. College or other school dormitories;
 - f. A manufactured home;
 - g. Cooperative housing; or
 - h. Transitional housing.
3. An HA may not attach or pay PBV assistance to units in any of the following types of subsidized housing:
 - a. Public housing;
 - b. A unit subsidized by any other form of Section 8 assistance (tenant based or project based);
 - c. A unit subsidized with any governmental rent subsidy;
 - d. A unit subsidized with any governmental subsidy that covers all or any part of the operating costs of the housing;
 - e. A unit subsidized with Section 236 rental assistance payments, however, assistance can be provided to a unit subsidized with Section 236 interest reductions payments;
 - f. A unit subsidized with rental assistance payments under Section 521 of the Housing Act of 1949;
 - g. A project with a Section 202 loan;
 - h. A Section 202 project for non-elderly persons with disabilities (Section 162 assistance);
 - i. Section 202 supportive housing for the elderly;
 - j. Section 811 supportive housing for persons with disabilities;
 - k. A Section 101 rent supplement project;
 - l. A unit subsidized with tenant-based assistance under the HOME program; or
 - m. Any unit with any other duplicative Federal State, or local housing subsidy, as determined by HUD. For this purpose, "housing subsidy" does not include the housing component of a welfare payment, a social security payment received by the family, or a federal, state, or local tax concession.

4. An HA may attach assistance under this part 983 to a high rise elevator project for families with children only if the PHA determines there is no practical alternative and HUD approves such finding. The PHA may make this initial determination for its project-based assistance, in whole or in part, and need not review each project on a case-by-case basis and HUD may approve on the same basis.
5. Assistance may not be attached to a unit that is occupied by an owner.
6. *HA-owned unit* means a unit (other than public housing) that is owned by the HA which administers the assistance under this part 983 pursuant to an ACC between HUD and the HA (including a unit owned by an entity substantially controlled by the HA).
 - a. An HA-owned unit may only be assisted under the project-based voucher program if:
 - (i) The HA-owned unit is not ineligible housing under this section.
 - (ii) The selection of PHA owned units was done in accordance with 983.51.
 - (iii) The HUD field office has approved an independent entity that determines reasonable rents both for initial and annual rent determinations and conducts inspections on the PHA owned units.
 - b. As owner of a HA-owned unit, the HA is subject to all of the same program requirements that apply to other owners in the program.
 - c. HUD may pay a lower administrative fee for PHA owned units.
 - d. HA-owned units are subject to the same requirements as units that are not HA-owned, including the ineligibility of units that are currently public or Indian housing and units constructed or rehabilitated with proposals that are accessible to the elderly/handicapped and/or which provide amenities or services for special needs tenants; and proposals for projects to be located in areas with little or no subsidized housing.

Other Federal Requirements

Participation in the PBV program requires compliance with all Equal Opportunity requirements (as specified in federal regulation 982.53) imposed by contract or federal law, including applicable requirements under:

1. The Fair Housing Act, 42 U.S.C. 3610-3619 (implementing regulations at 24 CFR parts 100, *et seq.*);
2. Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d (implementing regulations at 24 CFR par 1);
3. The Age Discrimination Act of 1975, 42 U.S.C. 6101-6107 (implementing regulations at 24 CFR part 146);
4. Executive Order 11063, Equal Opportunity in Housing (1962), as amended, Executive Order 12259, 46 FR 1253 (1980), as amended, Executive Order 12892, 59 FR 2939 (1994) (implementing regulations at 24 CFR part 107);
5. Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794 (implementing regulations at 24 CFR part 8); and
6. Title II of the American with Disabilities Act, 42 U.S.C. 12101, *et seq.*
7. For the application of equal opportunity requirements at an Indian Housing Authority, see 24 CFR 950.115.
8. The HA must submit a signed certification to HUD of the HA's intention to comply with the Fair Housing Act, Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, Executive Order 11063, Section 504 of the Rehabilitation Act of 1973 and Title II of the Americans with Disabilities Act.

Subsidy Layering Review requirements

For all approved proposals, the PHA may not provide PBV assistance or commit to provide assistance until a subsidy layering review is completed. The subsidy layering review is required by HUD and is intended to prevent excessive public assistance for the housing by reviewing all governmental housing assistance received on the particular project. Once the subsidy layering review is completed and approved by HUD, the owner must certify that no additional public assistance will be used in the project other than what was originally disclosed in the subsidy layering review process.

Environmental requirements

1. The unit of general local government within which the project is located that exercises land use responsibility or, as determined by HUD, the county or State has completed the environmental review required by 24 CFR part 58 and provided to the HA for submission to HUD the completed request for release of funds and certification; and

2. HUD has approved the request for release of funds.

Where applicable, the following requirements must be met:

1. Clean Air Act and Federal Water Pollution Control Act.
2. Flood Disaster Protection Act of 1973.
3. Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and the regulations in 24 CFR part 135.
4. Executive Order 11246, Equal Employment Opportunity (for construction contracts over \$10,000).
5. Executive Order 11625, Prescribing Additional Arrangements for Developing and Coordinating a National Program for Minority Business Enterprises.
6. Executive Orders 12432, Minority Business Enterprises and Development, and 12138, Creating a National Women's Business Enterprise Policy.
7. Payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act, to all laborers and mechanics employed in the construction or rehabilitation of the project under an Agreement covering nine (9) or more assisted units, and compliance with the Contract Work Hours and Safety Standards Act, Department of Labor regulations in 29 CFR part 5, and other Federal laws and regulations pertaining to labor standards applicable to such an agreement.
8. The provisions of part 24 of this title relating to the employment, engagement of services, awarding contracts, or funding of any contractors or subcontractors during any period of debarment, suspension, or placement in ineligibility status.